CAFÉ DE CORAL HOLDINGS LIMITED

大 家 樂 集 團 有 限 公 司*

(Incorporated in Bermuda with limited liability)

Website: http://www.cafedecoral.com

(Stock Code: 341)

INTERIM RESULTS ANNOUNCEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

HIGHLIGHTS

- **The Group's overall performance for the first six months of FY2015/16 reflected the general market conditions during the period. Total revenue for the half year increased by 3% to HK$3.73 billion and profit attributable to shareholders amounted to HK$207 million, a decline of 14.7% compared to corresponding period last year.**

- **Under the Group's long-term plan to build a balanced business portfolio for sustainable growth, appropriate strategies are implemented in our key business platforms:**
  - **HK QSR business continues to perform well and steer healthy growth**
  - **Momentum and skillsets are being built to scale up HK fast casual segment**
  - **Deliberate move to adjust growth scale and pace of the Mainland business in line with market conditions**

- **Interim dividend of HK18 cents per share (2014: HK17 cents) was declared to shareholders.**

* *For identification purposes only*

OPERATIONAL REVIEW

INTRODUCTION & HIGHLIGHTS

The Group's quick service restaurant (QSR) business in Hong Kong recorded a healthy turnover growth during the first six months of FY2015/16. Performance of our fast casual and casual dining business was, however, held back by the significant investment we ploughed in to support our continual expansion in this segment. The Group's overall performance for the period has, to some extent, reflected a downturn in retail sentiments, driven by the weakening economy. Some of the Group's restaurants in the major shopping precincts saw a slow recovery in the aftermath of the community disruptions since the last quarter of 2014.

In Mainland China, our fast food business growth was flat compared with last year and our casual dining business saw a steeper decline, due to the rising tide of consumer reluctance to spend on higher priced meals. We made the deliberate move to slow down our growth in scale and pace in the country.

A balanced business portfolio with the right mix of our QSR, fast casual and casual dining and Mainland platforms will provide us with a greater room for expansion – a cornerstone of sustainable growth for the Café de Coral Group.

The Group recorded a turnover of HK$3.73 billion for the first six months of FY2015/16, a 3% increase from the corresponding period last year. Our half-year profit amounted to HK$207 million, a decline of 14.7% compared to the previous year. The Board is pleased to declare the distribution of an interim dividend of HK18 cents per share (2014: HK17 cents) to shareholders, whose names appear on the Register of Members of the Company on 16 December 2015.

HONG KONG OPERATIONS

Despite the prevailing challenges, the Group's Hong Kong operations recorded a turnover growth of 4% to HK$3.12 billion in the first half of FY2015/16. In particular, our QSR and institutional catering businesses had continuously performed well. The **Café de Coral** chain saw its sales from comparable stores increased 4% from the same period last year. While the **Café de Coral** brand has remained our core business and key revenue contributor, **Café de Coral** fast food's shop numbers reached an extensive network of 158 outlets (as of 30 September 2015) operating in Hong Kong, which reflects its long-established market reception.

Our **Super Super Congee & Noodles** chain recorded a comparable store sales growth of 3% over the same period last year. Plans to expand its restaurant network are underway to boost the chain's revenue contributions to the Group. The institutional catering brands **Asia Pacific Catering** and **Luncheon Star** continued to perform positively in spite of the high, rising operating cost. To continue tapping the opportunities in their respective catering sectors, efforts are made to secure new projects and have their existing contracts extended.

Seizing the opportunity of a softer leasing market, our **Café de Coral** and **Super Super Congee & Noodles** chains will be more proactive in further expanding its network. Our team has been working on building greater network for our QSR platform with opening more than 20 shops in FY2015/16. We will also steer our current and new QSR concepts to further drive a bigger market share in this segment. Lifestyle café kiosk **Just About Food** and new innovative take-away concepts in key commercial hubs are tailored to target the needs of busy working crowds. These new QSR concepts have also led us to higher efficiency in the backdrop of high rental cost and persistent labour shortage.

In the fast casual and casual dining sector, **Oliver's Super Sandwiches** continued to generate positive comparable store sales growth. **The Spaghetti House** and **spaghetti 360**°, despite being affected by the temporarily weakened customer spending during the period, seized the opportunity to rejuvenate and strengthen our presence in the Italian dining sub-sector with **The Spaghetti House** relaunching its flagship store in Cityplaza, Hong Kong. **Shanghai Lao Lao** and **Mixian Sense**, our home-grown brands that underscore the Group's diversification strategy, reported an encouraging performance. During the period of review, both chains continued their trajectories of steady growth and reinforced our solid leap into the Chinese dining sub-sector. Leveraging on the franchising model in our Japanese and Korean dining sub-sector, **THE CUP** and **Don Don Tei** restaurants have opened in Hong Kong.

Compared to our more established QSR operations, our fast casual and casual dining business is still in the investment stage, requiring us to plough back our earnings to support its expansion. On developing its fast casual and casual dining business, the Group has devoted more resources and efforts to nurturing new brands, both home-grown and imported ones, in a progressive but unhurried pace. The process will see the Group cultivating the right management skillsets, continually building a stronger operational platform and gradually accumulating the experience required to achieve a business model with higher efficiency, lower cost and good market penetration.

MAINLAND CHINA OPERATIONS

Business in Mainland China has remained stagnant and consumption patterns are changing. Aware of the market deteriorations, the Group has carefully gauged local consumption behavior, with a prudent approach towards operating its business there, primarily the **Café de Coral** and **The Spaghetti House** chains. We have deliberately adjusted our expansion pace and consolidated our operations, closing underperforming stores as well as strengthening our infrastructures, systems and teams in pursuit of a viable, future-oriented growth strategy.

In the first half of FY2015/16, whilst total turnover of our fast food business in South China maintained the same level as the same period last year, its comparable store sales decreased 5% from the first half of FY2014/15. While the Group's performance in Eastern China was also affected by the negative market conditions, its bottom-line performance had shown improvement, attributable to the stringent controls imposed on its business operating scale and cost.

Mainland China is a powerful growth engine for the Group. We believe that our continual investments in this important market will bear fruit. Concurrently, the Group has prepared a pipeline of new brands and fast casual dining concepts to be launched in the Mainland. Our cooperation with Japanese and Korean brands **Kamakura Pasta** and **THE CUP** in Guangdong Province is also part of the Group's larger vision to bring a choice selection of dining concepts to customers in the Mainland. We will step up our expansion pace when the economy shows more signs of sustained recovery.

BUILDING A SUSTAINABLE BUSINESS AND SUSTAINABILITY PLATFORM

We continued our efforts to build a sustainability platform within the organisation which has become a solid framework guiding the Group's governance and long-term business development. During the period, the Company published its second Sustainability Report, in a bid to stay abreast of sustainability best practices and benchmarking and remain accountable to our stakeholders. We are most encouraged to receive public and industry recognition for our efforts as the Group was selected as a constituent member of the Hang Seng Corporate Sustainability Benchmark Index and continuously awarded the Hong Kong Quality Assurance Agency's CSR Index Plus Mark.

OUTLOOK

The food and beverage industry faces challenges from economy slowdown, weakened consumer confidence, rising raw material costs and labour shortage. That said, the Group sees opportunities and potential in its growth and expansion going forward. The general market downturn has provided opportunities for our ongoing expansion. Shop rents are experiencing a downward trend and the space scarcity situation will likely improve, which are favourable factors as we implement our long-term expansion strategies.

The tough macroeconomic conditions have seen cutbacks in consumer spending and the trend looks likely to continue into the second half of the year. Looking beyond the short-term retail turbulence, the Group will keep to its master plan and expand the network of our leading QSR chains by further opening new shops in the second half. The Group is also gearing up in the different dining sectors of our new fast casual business to drive growth. At the same time, we will continue introducing more customer-centric initiatives to consistently raise our food quality, service standards and productivity, so as to enlarge our market shares.

The Group's ongoing leadership transition was carried out smoothly and in an organised manner, in accordance with an established plan formulated to ensure its operational continuity and sustainability. Seasoned professionals have been appointed and promoted to leadership positions across different corporate functions and business operations, to synchronize with an organisational restructuring exercise to address the Group's current and future business needs. Given our strong fundamentals, we are equipped with a robust business foundation to weather the adversities and focus on growing our strengths and assets, as we enter the next phase of growth. While the Group will remain prudent in all its undertakings, it will not lose sight of the valuable growth opportunities that will unfold in the longer term. This will, in turn, enhance the business stability and steady growth that the Group seeks to deliver.

On behalf of the Board, I would like to thank all our stakeholders – including our customers, staff and shareholders – for their unfailing trust, confidence and support through the years. We look forward to your continual partnership with the Group as we embark on the journey to greater success together.

By Order of the Board
Lo Hoi Kwong, Sunny
Chief Executive Officer

Hong Kong, 30 November 2015

FINANCIAL REVIEW

As at 30 September 2015, the Group's financial position remained healthy, with net cash of approximately HK$1,039 million and available banking facilities of HK$476 million. The Group had no external borrowing (31 March 2015: Nil) and nil gearing (31 March 2015: Nil). There has been no material change in contingent liabilities or charges on assets since 31 March 2015.

As at 30 September 2015, the Company provided guarantees of approximately HK$476 million (31 March 2015: HK$476 million) to financial institutions in connection with the banking facilities granted to its subsidiaries.

With regard to foreign exchange fluctuations, the Group earned revenue and incurred costs and expenses mainly denominated in Hong Kong dollars, while those of our business in Mainland China was in Renminbi. Fluctuation in exchange rates did not pose a significant risk for the Group. We will, however, remain vigilant and closely monitor our exposure to movements in relevant currencies.

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

	Note	Six months ended 30 September 2015	2014
		HK$'000	*HK$'000*
Continuing operations			
Revenue	3	**3,725,895**	3,624,879
Cost of sales		**(3,268,098)**	(3,155,551)
Gross profit		**457,797**	469,328
Administrative expenses		**(217,282)**	(175,940)
Other gains, net	4	**5,876**	7,414
Operating profit	5	**246,391**	300,802
Finance income	6	**8,184**	7,389
Share of profit of an associate		**22**	-
Share of loss of joint ventures		**-**	(4,327)
Profit before income tax		**254,597**	303,864
Income tax expense	7	**(47,657)**	(52,355)
Profit for the period from continuing operations		**206,940**	251,509
Discontinued operation			
Loss for the period from discontinued operation	8	**-**	(8,122)
Profit for the period		**206,940**	243,387
Profit/(loss) attributable to:			
Equity holders of the Company		**207,404**	243,099
Non-controlling interest		**(464)**	288
		206,940	243,387
Profit/(loss) attributable to equity holders of the Company arising from:			
– Continuing operations		**207,404**	251,221
– Discontinued operation		**-**	(8,122)
		207,404	243,099

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED) (CONTINUED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

	Note	Six months ended 30 September **2015**	2014
Earnings/(loss) per share for profit /(loss) from continuing operations and discontinued operation attributable to the equity holders of the Company during the period			
Basic earnings/(loss) per share			
– Continuing operations		**HK35.95 cents**	HK43.51 cents
– Discontinued operation		**-**	(HK1.40 cents)
	9	**HK35.95 cents**	HK42.11 cents
Diluted earnings/(loss) per share			
– Continuing operations		**HK35.86 cents**	HK43.34 cents
– Discontinued operation		**-**	(HK1.40 cents)
	9	**HK35.86 cents**	HK41.94 cents
		HK$'000	*HK$'000*
Dividend			
– Interim	10	**104,952**	98,634

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

	Six months ended 30 September	
	2015	2014
	HK$'000	*HK$'000*
Profit for the period	**206,940**	243,387
Other comprehensive (loss)/income:		
Items that may be reclassified to profit or loss:		
Exchange differences arising from translation of foreign subsidiaries, an associate and a joint venture	**(15,133)**	6,980
Fair value losses on available-for-sale financial assets	**(95,424)**	(81,643)
Total comprehensive income for the period	**96,383**	168,724
Total comprehensive income for the period attributable to:		
– Equity holders of the Company	**96,847**	168,436
– Non-controlling interests	**(464)**	288
	96,383	168,724
Total comprehensive income/(loss) for the period attributable to equity holders of the Company arising from:		
– Continuing operations	**96,847**	176,558
– Discontinued operation	**-**	(8,122)
	96,847	168,436

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 SEPTEMBER 2015

	Note	**As at 30 September 2015** ***HK$'000*** **(Unaudited)**	As at 31 March 2015 *HK$'000* (Audited)
ASSETS			
Non-current assets			
Leasehold land and land use rights		**86,376**	88,386
Property, plant and equipment		**1,778,596**	1,737,661
Investment properties		**478,400**	478,400
Intangible assets		**4,254**	2,132
Investments in an associate		**-**	1,195
Deferred income tax assets		**23,220**	25,955
Available-for-sale financial assets		**269,588**	355,147
Non-current prepayments and deposits		**304,730**	266,296
		2,945,164	2,955,172
Current assets			
Inventories		**228,975**	228,281
Trade and other receivables	11	**96,776**	143,342
Prepayments and deposits	11	**131,725**	123,215
Financial assets at fair value through profit or loss		**25,533**	39,838
Bank deposits with maturity over three months		**-**	15,428
Cash and cash equivalents		**1,038,511**	1,057,189
		1,521,520	1,607,293
Total assets		**4,466,684**	4,562,465
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital		**58,259**	58,162
Share premium		**562,743**	542,182
Shares held for share award scheme		**(162,402)**	(133,441)
Other reserves		**530,671**	640,613
Retained earnings			
– Proposed dividends		**104,952**	355,191
– Others		**2,314,987**	2,209,219
		3,409,210	3,671,926
Non-controlling interests		**3,378**	3,842
Total equity		**3,412,588**	3,675,768

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED) (CONTINUED)
AS AT 30 SEPTEMBER 2015

	Note	**As at 30 September 2015** ***HK$'000*** **(Unaudited)**	As at 31 March 2015 *HK$'000* (Audited)
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**26,579**	21,147
Provision for long service payments		**29,150**	30,498
Retirement benefit liabilities		**15,351**	15,344
		71,080	66,989
Current liabilities			
Trade payables	12	**221,831**	212,282
Other creditors and accrued liabilities		**719,312**	577,555
Current income tax liabilities		**41,873**	29,871
		983,016	819,708
Total liabilities		**1,054,096**	886,697
Total equity and liabilities		**4,466,684**	4,562,465
Net current assets		**538,504**	787,585
Total assets less current liabilities		**3,483,668**	3,742,757

Notes:

1 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 September 2015 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

This condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

On 23 October 2014, the Group entered into an agreement with a third party to dispose of its North American operations for an aggregate consideration of CA$7.9 million (equivalent to approximately HK$53 million). The disposal was completed on 18 December 2014. The financial results of the North American operation for the period from 1 April 2014 to 30 September 2014 were presented as discontinued operation in the accompanying condensed consolidated income statement and the comparative figures for the period ended 30 September 2014 had been restated accordingly.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2015, as described in those annual financial statements.

The following standards and annual improvements projects have been adopted by the Group for the first time for the financial year beginning on or after 1 April 2015:

HKAS 19 (2011) Amendment	Defined Benefit Plans: Employee Contributions
Annual Improvements Project	Annual Improvements 2010-2012 Cycle
Annual Improvements Project	Annual Improvements 2011-2013 Cycle

These amendments to standards and annual improvements projects did not have a significant effect on the condensed consolidated interim financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

There are no other amended standards or interpretations that are effective for the first time for this interim period that is relevant to the Group.

2 SEGMENT INFORMATION

The Group is principally engaged in the operation of quick service restaurants and institutional catering, fast casual and casual dining chains, as well as food processing and distribution business.

The Chief Executive Officer of the Group reviews the Group's internal reporting in order to allocate resources and to assess the business principally from a geographic perspective including Hong Kong, Mainland China and North America.

Segment result as presented below represents operating profit before interest, tax, depreciation and amortisation and impairment loss.

Segment information of the Group for the current period and the comparative figures are as follows:

	Continuing operations			Discontinued operation	
	Hong Kong	**Mainland China**	**Total**	**North America**	**Group**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Six months ended 30 September 2015					
Total segment revenue	**3,116,820**	**667,114**	**3,783,934**	**-**	**3,783,934**
Inter-segment revenue *(Note i)*	**(1,386)**	**(56,653)**	**(58,039)**	**-**	**(58,039)**
Revenue (from external revenue) *(Note ii)*	**3,115,434**	**610,461**	**3,725,895**	**-**	**3,725,895**
Segment results *(Note iii)*	**355,078**	**40,516**	**395,594**	**-**	**395,594**
Depreciation and amortisation	**115,545**	**33,658**	**149,203**	**-**	**149,203**
Finance income	**5,430**	**2,754**	**8,184**	**-**	**8,184**
Share of profit of an associate	**22**	**-**	**22**	**-**	**22**
Income tax expense	**45,244**	**2,413**	**47,657**	**-**	**47,657**
Six months ended 30 September 2014					
Total segment revenue	2,989,787	689,869	3,679,656	72,712	3,752,368
Inter-segment revenue *(Note i)*	(1,514)	(53,263)	(54,777)	-	(54,777)
Revenue (from external revenue) *(Note ii)*	2,988,273	636,606	3,624,879	72,712	3,697,591
Segment results *(Note iii)*	395,367	49,154	444,521	(2,509)	442,012
Depreciation and amortisation	111,239	32,480	143,719	7,271	150,990
Finance income	4,593	2,796	7,389	62	7,451
Share of profit of an associate	–	–	–	122	122
Share of loss of a joint venture	(4,327)	–	(4,327)	–	(4,327)
Income tax expense/(credit)	46,581	5,774	52,355	(1,474)	50,881

2 SEGMENT INFORMATION (Continued)

(i) Inter-segment transactions were entered into in the normal course of business.

(ii) The Group has a large number of customers. For the period ended 30 September 2015, no revenue derived from transactions with a single external customer represented 10% or more of the Group's total revenue.

(iii) Reconciliation of total segment results to total profit before income tax is provided as follows:

	Six months ended 30 September	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing operations		
Segment results	**395,594**	444,521
Depreciation and amortisation	**(149,203)**	(143,719)
Operating profit	**246,391**	300,802
Finance income	**8,184**	7,389
Share of profit of an associate	**22**	-
Share of loss of a joint venture	**-**	(4,327)
Profit before income tax	**254,597**	303,864

	Six months ended 30 September	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Discontinued operation		
Segment results	**-**	(2,509)
Depreciation and amortisation	**-**	(7,271)
Operating loss	**-**	(9,780)
Finance income	**-**	62
Share of profit of an associate	**-**	122
Loss before income tax	**-**	(9,596)
Income tax credit	**-**	1,474
Loss for the period from discontinued operation	**-**	(8,122)

2 SEGMENT INFORMATION (Continued)

	Continuing operations			Discontinued operation	
	Hong Kong	**Mainland China**	**Total**	**North America**	**Group**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
As at 30 September 2015					
Segment assets	**3,341,197**	**807,146**	**4,148,343**	**-**	**4,148,343**
Segment assets include:					
Additions to non-current assets (other than financial instruments and deferred tax assets)	**292,731**	**21,447**	**314,178**	**-**	**314,178**
As at 31 March 2015					
Segment assets	3,319,437	822,088	4,141,525	-	4,141,525
Segment assets include:					
Investment in an associate	1,195	-	1,195	-	1,195
Additions to non-current assets (other than financial instruments and deferred tax assets)	373,503	88,485	461,988	-	461,988

As at 30 September 2015, the total non-current assets (other than financial instruments and deferred tax assets) located in Hong Kong is HK$2,231,035,000 (As at 31 March 2015: HK$2,120,770,000) and in Mainland China is HK$421,321,000 (As at 31 March 2015: HK$453,300,000).

Reconciliation of total segment assets to total assets is provided as follows:

	30 September 2015	31 March 2015
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Total segment assets	**4,148,343**	4,141,525
Deferred income tax assets	**23,220**	25,955
Available-for-sale financial assets	**269,588**	355,147
Financial assets at fair value through profit or loss	**25,533**	39,838
Total assets	**4,466,684**	4,562,465

3 REVENUE

	Six months ended 30 September 2015 HK$'000 (Unaudited)	2014 HK$'000 (Unaudited)
Sales of food and beverages	**3,687,106**	3,577,643
Rental income	**19,330**	19,533
Management and service fee income	**5,562**	8,784
Sundry income	**13,897**	18,919
	3,725,895	3,624,879

4 OTHER GAINS, NET

	Six months ended 30 September 2015 HK$'000 (Unaudited)	2014 HK$'000 (Unaudited)
Gain on disposal of financial assets at fair value through profit or loss	**4**	41
Gain on disposal of an associate	**530**	-
Government subsidy	**1,493**	-
Dividend income from listed investments	**12,206**	12,553
Fair value (losses)/gains on financial assets at fair value through profit or loss	**(318)**	119
Loss on disposal of property, plant and equipment	**(8,039)**	(5,299)
	5,876	7,414

5 OPERATING PROFIT

The following items have been charged to the operating profit during the interim period:

	Six months ended 30 September	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost of raw materials and consumables used	**1,164,493**	1,187,430
Staff costs	**1,081,823**	976,900
Operating lease rentals in respect of rented premises	**430,367**	400,477
Depreciation of property, plant and equipment	**147,555**	142,168
Amortisation of leasehold land and land use rights	**1,503**	1,505
Amortisation of trademarks and franchise rights	**145**	46

6 FINANCE INCOME

	Six months ended 30 September	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest income	**8,184**	7,389

7 INCOME TAX EXPENSE

The Company is exempted from taxation in Bermuda until 2035. Hong Kong profits tax has been provided for at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to the condensed consolidated income statement represents:

	Six months ended 30 September	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current income tax:		
– Hong Kong profits tax	**34,064**	44,670
– Overseas taxation	**2,437**	5,878
Deferred income tax relating to the origination and reversal of temporary differences	**11,156**	1,807
	47,657	52,355

8 DISCONTINUED OPERATION

On 18 December 2014, the Group completed the disposal of its business in North America ("the disposed business"). Accordingly, the financial results of the disposed business are presented in the condensed consolidated income statement as "Discontinued Operation" in accordance with HKFRS 5 "Non-current Assets Held for Sales and Discontinued Operation" issued by the HKICPA. Comparative figures have been restated.

An analysis of the results of operations of the Discontinued Operation is set out below:

	Six months ended 30 September	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue	**-**	72,712
Cost of sales	**-**	(58,689)
Gross profit	**-**	14,023
Administrative expenses	**-**	(26,567)
Other gains, net	**-**	2,764
Operating loss from discontinued operation	**-**	(9,780)
Finance income	**-**	62
Share of profit of an associate	**-**	122
Loss before income tax from discontinued operation	**-**	(9,596)
Income tax credit	**-**	1,474
Loss for the period from discontinued operation	**-**	(8,122)

An analysis of the cash (outflows) /inflows of the discontinued operation is as follows:

	Six months ended 30 September	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Net cash used in operating activities	**-**	(6,921)
Net cash generated from investing activities	**-**	1,862
Total cash outflows	**-**	(5,059)

9 EARNINGS/(LOSS) PER SHARE

Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period excluding ordinary shares purchased by the Company for share award scheme.

	Six months ended 30 September	
	2015	2014
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to equity holders of the Company *(HK$'000)*		
– Continuing operations	**207,404**	251,221
– Discontinued operation	**-**	(8,122)
	207,404	243,099
Weighted average number of ordinary shares in issue *('000)*	**576,896**	577,331
Basic earnings/(loss) per share *(HK cents per share)*		
– Continuing operations	**HK35.95 cents**	HK43.51 cents
– Discontinued operation	**-**	(HK1.40 cents)
	HK35.95 cents	HK42.11 cents

Diluted

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares are share options. For the share options, a calculation is prepared to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

9 EARNINGS/(LOSS) PER SHARE (Continued)

Diluted (Continued)

	Six months ended 30 September	
	2015	2014
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to equity holders of the Company *(HK$'000)*		
– Continuing operations	**207,404**	251,221
– Discontinued operation	**-**	(8,122)
	207,404	243,099
Weighted average number of ordinary shares in issue *('000)*	**576,896**	577,331
Adjustment to share options *('000)*	**1,423**	2,250
	578,319	579,581
Diluted earnings/(loss) per share *(HK cents per share)*		
– Continuing operations	**HK35.86 cents**	HK43.34 cents
– Discontinued operation	**-**	(HK1.40 cents)
	HK35.86 cents	HK41.94 cents

10 DIVIDEND

	Six months ended 30 September	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Dividend declared		
– Interim dividend, HK18 cents (2014: HK17 cents) per ordinary share	**104,952**	98,634

The interim dividend was declared on 30 November 2015. This condensed consolidated interim financial information does not reflect this dividend payable.

11 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	30 September 2015 *HK$'000* **(Unaudited)**	31 March 2015 *HK$'000* (Audited)
Trade receivables	**38,983**	39,781
Less: provision for impairment of receivables	**(303)**	-
Trade receivables – net	**38,680**	39,781
Other receivables	**58,096**	103,561
	96,776	143,342
Prepayments and deposits	**131,725**	123,215
	228,501	266,557

The Group's sales to customers are mainly on a cash basis. The Group also grants a credit period between 30 to 90 days to certain customers for the provision of the Group's institutional catering services, sale of merchandise for the Group's food manufacturing businesses and its franchisees.

The ageing analysis of trade receivables is as follows:

	30 September 2015 *HK$'000* **(Unaudited)**	31 March 2015 *HK$'000* (Audited)
0 – 30 days	**27,105**	25,360
31 – 60 days	**7,533**	8,622
61 – 90 days	**1,035**	3,174
Over 90 days	**3,310**	2,625
	38,983	39,781

12 TRADE PAYABLES

The ageing analysis of trade payables is as follows:

	30 September 2015 *HK$'000* **(Unaudited)**	31 March 2015 *HK$'000* (Audited)
0 – 30 days	**208,885**	207,737
31 – 60 days	**11,298**	2,555
61 – 90 days	**855**	443
Over 90 days	**793**	1,547
	221,831	212,282

INTERIM DIVIDEND

The Board has declared the payment of an interim dividend of HK18 cents per share (2014: HK17 cents) in respect of the six months ended 30 September 2015 payable on 28 December 2015 to the shareholders whose names appear on the Register of Members of the Company on 16 December 2015.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determination of entitlement to the interim dividend, the Register of Members of the Company will be closed on 16 December 2015 (Wednesday) on which no transfer of shares will be effected. In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 15 December 2015 (Tuesday).

HUMAN RESOURCES

As of 30 September 2015, the Group had 18,028 employees. We constantly focus on the Group's competitiveness to attract and retain people. Remuneration packages are generally structured by reference to market terms, individual experience, qualifications, duties and responsibilities. Employees share the benefits of the Group's growth through our share option and share award schemes together with profit-sharing bonus and performance incentive programmes. During the period, the Company granted restricted shares and performance shares under its share award scheme to recognise and reward selected top and middle management executives for their contributions to the business and development of the Group. The Group also provides employees with comprehensive employee benefits, including medical and group life insurance plans, mortgage loan interest subsidy and training sponsorship.

We are committed to building a stronger and more vibrant team through the ongoing competency-based training programmes as well as the talent development and training programme. During the period, we developed a structured training framework for continuously strengthening job competencies of employees in Hong Kong and Mainland China. Through our talent development and training programme, a total of 26 classes in areas of people management and team leadership were delivered to over 600 staffs in Hong Kong and Mainland China. We believe that our talents are motivated and equipped with both managerial knowledge and leadership skills to succeed in the rapid changing catering industry.

CORPORATE GOVERNANCE

The Board and management of the Group aspire to a high standard of corporate governance and constantly strive for a responsible and value-driven management focusing on safeguarding and enhancing interest and value of shareholders as well as the long-term sustainability of the Group.

The corporate governance principles and practices adopted by the Group during the six months ended 30 September 2015 are in line with the corporate governance statements set out in the Corporate Governance Report in the Company's 2015 Annual Report. During the six months ended 30 September 2015, the Company complied with all code provisions as set out in the Corporate Governance Code (the "CG Code") under Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") and adopted the recommended best practices of the CG Code insofar as they are relevant and practicable. During the period under review, the Board and management conducted a comprehensive review of the Group's risk management framework and practices and established an enhancement plan designed to ensure that the Group's material risks are identified, assessed and appropriately minimised and managed.

REVIEW OF THE RESULTS

The Audit Committee of the Company, which consists of the four independent non-executive Directors of the Company, has reviewed the Group's unaudited interim results for the six months ended 30 September 2015.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2015, neither the Company nor any of its subsidiaries had purchased, sold or redeemed the Company's listed securities, except that the trustee of the Company's Share Award Scheme purchased on the Hong Kong Stock Exchange a total of 1,313,518 shares of the Company at a total consideration of about HK$36.7 million to satisfy the award of shares to selected employees pursuant to the terms of the rules and trust deed of the Share Award Scheme.

As at the date of this announcement, the Board comprises Mr. Lo Hoi Kwong, Sunny, Mr. Lo Tak Shing, Peter and Ms. Lo Pik Ling, Anita as executive directors; Mr. Chan Yue Kwong, Michael, Mr. Lo Ming Shing, Ian and Mr. Hui Tung Wah, Samuel as non-executive directors; and Mr. Choi Ngai Min, Michael, Mr. Li Kwok Sing, Aubrey, Mr. Kwok Lam Kwong, Larry and Mr. Au Siu Cheung, Albert as independent non-executive directors.